FILED
KEN BENNETT
SECRETARY OF STATE

State of Arizona House of Representatives Forty-ninth Legislature Second Regular Session 2010

CHAPTER 315

HOUSE BILL 2133

AN ACT

AMENDING SECTIONS 49-401.01, 49-405 AND 49-427, ARIZONA REVISED STATUTES; RELATING TO AIR QUALITY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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 Be it enacted by the Legislature of the State of Arizona: Section 1. Section 49-401.01, Arizona Revised Statutes, is amended to read:

49-401.01. Definitions

In this chapter, unless the context otherwise requires:

- 1. "Administrator" means the administrator of the United States environmental protection agency.
- 2. "Adverse effects to human health" means those effects that result in or significantly contribute to an increase in mortality or an increase in serious irreversible or incapacitating reversible illness, including adverse effects that are known to be or may reasonably be anticipated to be caused by substances that are acutely toxic, chronically toxic, carcinogenic, mutagenic, teratogenic, neurotoxic or causative of reproductive dysfunction.
- 3. "Adverse environmental effect" means any significant and widespread adverse effect which THAT may reasonably be anticipated on wildlife, aquatic life, or other natural resources, including adverse impacts on populations of endangered or threatened species or significant degradation of environmental quality over broad areas.
- 4. "Arizona Grand Canyon visibility transport commission class I areas" means the following four mandatory federal class I areas in this state that were the subject of recommendations made by the Grand Canyon visibility transport commission pursuant to the clean air act:
 - (a) Grand Canyon national park.
 - (b) Petrified Forest national park.
 - (c) Sycamore Canyon Wilderness.
 - (d) Mount Baldy Wilderness.
- 5. "Arizona mandatory federal class I areas" means the following eight national parks and wilderness areas that are designated as mandatory federal class I areas in this state pursuant to the clean air act and does not include the Arizona Grand Canyon visibility transport commission class I areas:
 - (a) Pine Mountain Wilderness.
 - (b) Mazatzal Wilderness.
 - (c) Sierra Ancha Wilderness.
 - (d) Superstition Wilderness.
 - (e) Saguaro Wilderness.
 - (f) Galiuro Wilderness.
 - (g) Chiricahua Wilderness.
 - (h) Chiricahua National Monument Wilderness.
- 6. "Attainment area" means any area in this state that has been identified in regulations promulgated by the administrator as being in compliance with national ambient air quality standards.
- 7. "Begin actual construction" means initiation of physical on-site construction activities on an emissions unit that are of a permanent nature.— AS FOLLOWS:

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- (a) For purposes of title I, parts C and D and section 112 of the clean air act AND FOR PURPOSES OF APPLICANTS THAT REQUIRE PERMITS CONTAINING LIMITS DESIGNED TO AVOID THE APPLICATION OF TITLE 1, PARTS C AND D AND SECTION 112 OF THE CLEAN AIR ACT, these activities include installation of building supports and foundations, laying of underground pipework and construction of permanent storage structures BUT DO NOT INCLUDE ANY OF THE FOLLOWING, SUBJECT TO SECTION 49-247, SUBSECTION D:
- (i) CLEARING AND GRADING, INCLUDING DEMOLITION AND REMOVAL OF EXISTING STRUCTURES AND EQUIPMENT, STRIPPING AND STOCKPILING OF TOPSOIL.
 - (ii) INSTALLATION OF ACCESS ROADS, DRIVEWAYS AND PARKING LOTS.
- (111) INSTALLATION OF ANCILLARY STRUCTURES, INCLUDING FENCES, OFFICE BUILDINGS AND TEMPORARY STORAGE STRUCTURES, THAT ARE NOT A NECESSARY COMPONENT OF AN EMISSIONS UNIT OR ASSOCIATED AIR POLLUTION CONTROL EQUIPMENT FOR WHICH THE PERMIT IS REQUIRED.
 - (iv) ORDERING AND ON-SITE STORAGE OF MATERIALS AND EQUIPMENT.
- (b) For purposes other than title I, parts C and D and section 112 of the clean air act FOR THOSE APPLICANTS PRESCRIBED IN SUBDIVISION (a) OF THIS PARAGRAPH, these activities do not include installation of building supports and foundations, laying of underground pipework and construction of permanent storage structures THE FOLLOWING, SUBJECT TO SECTION 49-247, SUBSECTION D:
- (i) CLEARING AND GRADING, INCLUDING DEMOLITION AND REMOVAL OF EXISTING STRUCTURES AND EQUIPMENT, STRIPPING AND STOCKPILING OF TOPSOIL AND EARTHWORK CUT AND FILL FOR FOUNDATIONS.
- (ii) INSTALLATION OF ACCESS ROADS, PARKING LOTS, DRIVEWAYS AND STORAGE AREAS.
 - (iii) ORDERING AND ON-SITE STORAGE OF MATERIALS AND EQUIPMENT.
- (iv) INSTALLATION OF UNDERGROUND PIPEWORK, INCLUDING WATER, SEWER, ELECTRIC AND TELECOMMUNICATIONS UTILITIES.
- (v) INSTALLATION OF ANCILLARY STRUCTURES, INCLUDING FENCES, WAREHOUSES, STOREROOMS AND OFFICE BUILDINGS, IF NONE OF THESE STRUCTURES IMPACT THE DESIGN OF ANY EMISSIONS UNIT OR ASSOCIATED AIR POLLUTION CONTROL EQUIPMENT.
- (vi) INSTALLATION OF BUILDING AND EQUIPMENT SUPPORTS, INCLUDING CONCRETE FORMS, FOOTERS, PILINGS, FOUNDATIONS, PADS AND PLATFORMS, IF NONE OF THESE STRUCTURES IMPACT THE DESIGN OF AND EMISSIONS UNIT OR ASSOCIATED AIR POLLUTION CONTROL EQUIPMENT.
- 8. "Building", "structure", "facility" or "installation" means all of the pollutant-emitting activities which THAT belong to the same industrial grouping, are located on one or more contiguous or adjacent properties and are under the control of the same person or persons under common control except the activities of any vessel. Pollutant-emitting activities shall be considered as part of the same industrial grouping if they belong to the same major group which THAT has the same two digit code, as described in the standard industrial classification manual, 1972, as amended by the 1977 supplement.

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- 9. "Clean air act" means the clean air act of 1963 (P.L. 88-206; 42 United States Code sections 7401 through 7671) as amended by the clean air act amendments of 1990 (P.L. 101-549).
 - 10. "Commence" means, as applied to construction of a source:
- (a) For purposes other than title IV of the clean air act, that the owner or operator has obtained all necessary preconstruction approval or permits required by federal law and this chapter and has done either of the following:
- (i) Begun or caused to begin a continuous program of physical on-site construction of the source to be completed within a reasonable time.
- (ii) Entered into binding agreements or contractual obligations, which cannot be cancelled or modified without substantial loss to the owner or operator, to undertake a program of construction of the source to be completed within a reasonable time.
- (b) For purposes of title IV of the clean air act, that the owner or operator has undertaken a continuous program of construction or that an owner or operator has entered into a contractual obligation to undertake and complete within a reasonable time a continuous program of construction.
- 11. "Construction" means any physical change in a source or change in the method of operation of a source including fabrication, erection, installation or demolition of a source that would result in a change in actual emissions.
- 12. "Conventional air pollutant" means any pollutant for which the administrator has promulgated a primary or secondary national ambient air quality standard.
- 13. "Federally listed hazardous air pollutant" means any air pollutant adopted pursuant to section 49-426.03, subsection A and not deleted pursuant to that subsection.
- 14. "Grand Canyon visibility transport commission" means the visibility transport commission established pursuant to section 169B of the clean air act for the region affecting the visibility of the Grand Canyon national park.
- 15. "Grand Canyon visibility transport commission class I areas" means the following sixteen mandatory federal class I areas in the region of Grand Canyon national park that were the subject of recommendations by the Grand Canyon visibility transport commission pursuant to the clean air act:
 - (a) Grand Canyon national park in Arizona.
 - (b) Sycamore Canyon Wilderness in Arizona.
 - (c) Petrified Forest national park in Arizona.
 - (d) Mount Baldy Wilderness in Arizona.
 - (e) San Pedro Parks Wilderness in New Mexico.
 - (f) Mesa Verde national park in Colorado.
 - (g) Weminuche Wilderness in Colorado.
 - (h) Black Canyon of the Gunnison Wilderness in Colorado.
 - (i) West Elk Wilderness in Colorado.

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- (j) Maroon Bells-Snowmass Wilderness in Colorado.
- (k) Flat Tops Wilderness in Colorado.
 - (1) Arches national park in Utah.
 - (m) Canyonlands national park in Utah.
 - (n) Capitol Reef national park in Utah.
 - (o) Bryce Canyon national park in Utah.
 - (p) Zion national park in Utah.
- 16. "Hazardous air pollutant" means any federally listed hazardous air pollutant and any air pollutant that the director has designated as a hazardous air pollutant pursuant to section 49-426.04, subsection A and has not deleted pursuant to section 49-426.04, subsection B.
- 17. "Hazardous air pollutant reasonably available control technology" means an emissions standard for hazardous air pollutants which THAT the director, acting pursuant to section 49-426.06, subsection C, or the control officer, acting pursuant to section 49-480.04, subsection C, determines is reasonably available for a source. In making the foregoing determination the director or control officer shall take into consideration the estimated actual air quality impact of the standard, the cost of complying with the standard, the demonstrated reliability and widespread use of the technology required to meet the standard and any non-air quality health and environmental impacts and energy requirements. For THE purposes of this definition, an emissions standard may be expressed as a numeric emissions limitation or as a design, equipment, work practice or operational standard.
- 18. "Maintenance area" means any nonattainment area that has been redesignated by the administrator to attainment status.
- 19. "Major source" means a stationary source or a group of stationary sources that is located within a contiguous area, that is under common control and that is defined as a major source in section 501(2) of the clean air act or that is a major emitting facility as defined in title I, part C of the clean air act or that is defined in department rules as a major source consistent with the clean air act.
- 20. "Mandatory federal class I areas" means those national parks, monuments and wilderness areas that are included in 40 Code of Federal Regulations sections 81.400 through 81.436 pursuant to the clean air act.
- 21. "Maximum achievable control technology" means an emission standard that requires the maximum degree of reduction in emissions of the hazardous air pollutants subject to this chapter, including a prohibition on such emissions where achievable, and that the director, after considering the cost of achieving such emission reduction and any non-air quality health and environmental impacts and energy requirements, determines to be achievable by an affected source to which such standard applies, through application of measures, processes, methods, systems or techniques including measures which THAT:
- (a) Reduce the volume of, or eliminate emissions of, such pollutants through process changes, substitution of materials or other modifications.

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- (b) Enclose systems or processes to eliminate emissions.
- (c) Collect, capture or treat such pollutants when released from a process, stack, storage or fugitive emissions point.
- (d) Are design, equipment, work practice, or operational standards, including requirements for operator training or certification.
 - (e) Are a combination of the above.
- 22. "Minor source" means any stationary or portable source that is not a major source.
- 23. "Mobile source" means any combustion engine, device, machine or equipment that operates during transport and that emits or generates air contaminants whether in motion or at rest.
- 24. "Modification" or "modify" means a physical change in or change in the method of operation of a source which THAT increases the actual emissions of any regulated air pollutant emitted by such source by more than any relevant de minimis amount or which THAT results in the emission of any regulated air pollutant not previously emitted by more than such de minimis amount.
- 25. "National ambient air quality standard" means the ambient air pollutant concentration limits established by the administrator pursuant to 42 United States Code section 7409.
- 26. "Nonattainment area" means any area in this state that is designated as prescribed by section 49-405 and where violations of national ambient air quality standards have been measured.
- 27. "Nonattainment area plan" means an air pollution control plan developed in accordance with 42 United States Code sections 7501 through 7515.
- 28. "Permitting authority" means the department or a county department or agency that is charged with enforcing a permit program adopted pursuant to section 49-480, subsection A.
- 29. "Planning agency" means an organization designated by the governor pursuant to 42 United States Code section 7504.
- 30. "Portable source" means any stationary source that is capable of being transported and operated in more than one county of this state.
 - 31. "Potential to emit" means:
- (a) For purposes of section 112 of the clean air act, the maximum capacity of a stationary source to emit a pollutant, excluding secondary emissions, taking into account controls that are enforceable under any federal law or regulation or that are inherent in the design of the source.
- (b) For purposes other than section 112 of the clean air act, the maximum capacity of a stationary source to emit a pollutant, excluding secondary emissions, taking into account controls that are enforceable under any federal, state or local law, rule or regulation or that are inherent in the design of the source.
- 32. "Primary standard attainment date" means the date defined within a nonattainment area plan in accordance with 42 United States Code sections

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7401 through 7515 or applicable regulations adopted by the United States environmental protection agency by January 1, 1999 and after which date primary national ambient air quality standards may not be violated.

- 33. "Reasonable further progress" means the schedule of emission reductions defined within a nonattainment area plan as being necessary to come into compliance with a national ambient air quality standard by the primary standard attainment date.
- 34. "Source" means any building, structure, facility or installation that may cause or contribute to air pollution or the use of which may eliminate, reduce or control the emission of air pollution.
- 35. "State implementation plan" means the accumulated record of enforceable air pollution control measures, programs and plans adopted by the director and submitted to the administrator pursuant to 42 United States Code section 7410.
- 36. "Stationary source" means any facility, building, equipment, device or machine that operates at a fixed location and that emits or generates air contaminants.
- 37. "Unclassifiable area" means all areas of this state for which inadequate ambient air quality data exist to determine compliance with the national ambient air quality standards.
 - Sec. 2. Section 49-405, Arizona Revised Statutes, is amended to read: 49-405. Attainment area designations
- A. The governor may designate the status and classification of areas of this state with respect to attainment of national ambient air quality standards.
 - B. The director shall adopt rules that both:
- 1. Describe the geographic extent of attainment, nonattainment or unclassifiable areas of this state for all pollutants for which a national ambient air quality standard exists.
- 2. Establish procedures and criteria for changing the designations of areas that include all of the following:
- (a) Technical bases for proposed changes, including ambient air quality data, types and distributions of sources of air pollution, population density and projected population growth, transportation system characteristics, traffic congestion, projected industrial and commercial development, meteorology, pollution transport and political boundaries.
- (b) Provisions for review of and public comment on proposed changes to area designations.
- (c) All area designations adopted by the administrator as of May 30, 1992.
- C. ON PROMULGATION BY THE ADMINISTRATOR OF NEW OR REVISED NATIONAL AMBIENT AIR QUALITY STANDARDS FOR POLLUTANTS, THE DEPARTMENT SHALL DEVELOP PROPOSED RECOMMENDATIONS REGARDING DESIGNATIONS FOR GEOGRAPHIC AREAS OF THIS STATE AS BEING IN ATTAINMENT OR NONATTAINMENT OR UNCLASSIFIABLE WITH RESPECT TO THAT STANDARD. THE PROPOSED RECOMMENDATIONS SHALL BE PROVIDED TO THE

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 GOVERNOR TO ASSIST THE GOVERNOR IN SUBMITTING RECOMMENDATIONS TO THE ADMINISTRATOR PURSUANT TO 42 UNITED STATES CODE SECTION 7407(d)(1)(A). THE DEPARTMENT SHALL DEVELOP THE PROPOSED RECOMMENDATIONS AS FOLLOWS:

- 1. NO EARLIER THAN FIVE MONTHS BEFORE THE DATE BY WHICH THE GOVERNOR MUST MAKE THE RECOMMENDATIONS AND NO LATER THAN FOUR MONTHS BEFORE THAT DATE, THE DEPARTMENT SHALL COMPLETE A DRAFT OF THE PROPOSED RECOMMENDATIONS AND A TECHNICAL SUPPORT DOCUMENT THAT EXPLAINS THE SCIENTIFIC AND OTHER BASES FOR THE DRAFT PROPOSAL.
- 2. NO EARLIER THAN FIVE MONTHS BEFORE THE DATE BY WHICH THE GOVERNOR MUST MAKE THE RECOMMENDATIONS AND NO LATER THAN FOUR MONTHS BEFORE THAT DATE, THE DEPARTMENT SHALL POST THE DRAFT PROPOSED RECOMMENDATIONS AND TECHNICAL SUPPORT DOCUMENT ON THE DEPARTMENT'S WEBSITE. THE DEPARTMENT SHALL PROVIDE ACTUAL NOTICE OF THE POSTING TO COUNTIES AND MUNICIPALITIES THAT WOULD BE INCLUDED IN A NONATTAINMENT AREA UNDER THE PROPOSED RECOMMENDATIONS AND TO ANY PERSON WHO HAD PREVIOUSLY REQUESTED ACTUAL NOTICE OF THE DRAFT DOCUMENTS. ACTUAL NOTICE OF THE POSTING MAY BE PROVIDED BY ELECTRONIC OR OTHER MEANS.
- 3. THE WEBSITE POSTING AND ACTUAL NOTICES PRESCRIBED IN PARAGRAPH 2 OF THIS SUBSECTION SHALL INCLUDE NOTICE THAT UNTIL THE CLOSE OF THE COMMENT PERIOD, ANY PERSON MAY SUBMIT WRITTEN COMMENTS TO THE DEPARTMENT REGARDING THE DRAFT PROPOSED RECOMMENDATIONS AND TECHNICAL SUPPORT DOCUMENT. THE NOTICE SHALL ALSO INCLUDE THE DATE, TIME AND LOCATION OF A PUBLIC HEARING FOR THE DEPARTMENT TO RECEIVE VERBAL COMMENTS AND ANSWER QUESTIONS CONCERNING THE DRAFT PROPOSAL. THE WRITTEN COMMENT PERIOD SHALL CLOSE AND THE HEARING SHALL BE HELD NO LATER THAN FORTY-SIX DAYS BEFORE THE DATE BY WHICH THE GOVERNOR MUST MAKE THE RECOMMENDATIONS.
- 4. AFTER THE CLOSE OF THE COMMENT PERIOD AND AFTER THE PUBLIC HEARING AND NOT LATER THAN ONE MONTH BEFORE THE DATE BY WHICH THE GOVERNOR MUST MAKE THE RECOMMENDATIONS, THE DEPARTMENT SHALL FINALIZE THE PROPOSED RECOMMENDATIONS AND TECHNICAL SUPPORT DOCUMENT AND SUBMIT THEM TO THE GOVERNOR. THE DEPARTMENT'S FINAL PROPOSED RECOMMENDATIONS AND TECHNICAL SUPPORT DOCUMENT SHALL:
- (a) CONSIDER THE COMMENTS RECEIVED BY THE DEPARTMENT PURSUANT TO PARAGRAPH 3 OF THIS SUBSECTION. FOR ANY AREA THAT IS PROPOSED TO BE DESIGNATED A NONATTAINMENT AREA IN THE FINAL PROPOSED RECOMMENDATIONS, THE DEPARTMENT SHALL WITH THE SUBMITTAL TO THE GOVERNOR INCLUDE A RESPONSIVENESS SUMMARY THAT EXPLAINS WITH REASONABLE PARTICULARITY THE DEPARTMENT'S CONSIDERATION OF AND RESPONSES TO COMMENTS RECEIVED PURSUANT TO PARAGRAPH 3 OF THIS SUBSECTION.
- (b) BE POSTED ON THE DEPARTMENT'S WEBSITE WITHIN FIVE DAYS AFTER THE DEPARTMENT'S SUBMITTAL TO THE GOVERNOR. THE POSTING SHALL INCLUDE ANY RESPONSIVENESS SUMMARY, AND THE DEPARTMENT SHALL PROVIDE ACTUAL NOTICE OF THE POSTING TO COUNTIES AND MUNICIPALITIES THAT WOULD BE INCLUDED IN A NONATTAINMENT AREA UNDER THE FINAL PROPOSED RECOMMENDATIONS AND TO ANY PERSON WHO HAD PREVIOUSLY REQUESTED ACTUAL NOTICE OF THE DOCUMENTS. ACTUAL NOTICE OF THE POSTING MAY BE PROVIDED BY ELECTRONIC OR OTHER MEANS.

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- D. THE DEPARTMENT SHALL POST ON ITS WEBSITE A COPY OF THE GOVERNOR'S RECOMMENDATIONS WITHIN FIVE DAYS AFTER THE RECOMMENDATIONS ARE SUBMITTED TO THE ADMINISTRATOR.
- E. IF THE ADMINISTRATOR REQUIRES THE GOVERNOR'S RECOMMENDATIONS TO BE SUBMITTED SIX MONTHS AFTER PROMULGATION OF THE NEW OR REVISED NATIONAL AMBIENT AIR QUALITY STANDARDS OR EARLIER, THE TIME FRAMES PRESCRIBED IN SUBSECTIONS C AND D SHALL BE REDUCED BY ONE-HALF.
 - Sec. 3. Section 49-427, Arizona Revised Statutes, is amended to read: 49-427. Grant or denial of applications: revisions
- A. The director shall deny a permit or revision if the applicant does not show that every such source is so designed, controlled, or equipped with such air pollution control equipment that it may be expected to operate without emitting or without causing to be emitted air contaminants in violation of the provisions of this article and the rules adopted by the director.
- B. Prior to BEFORE acting on an application for a permit, the director may require the applicant to provide and maintain such facilities as are necessary for sampling and testing purposes in order to secure information that will disclose the nature, extent, quantity or degree of air contaminants discharged into the atmosphere from the source described in the application. In the event of such a requirement, the director shall notify the applicant in writing of the type and characteristics of such facilities.
- C. In acting upon ON an application for a permit renewal, if the director finds that such a source has been constructed not in accordance with any prior permit or revision issued pursuant to section 49-426.01, the director shall require the person to obtain a permit revision or shall deny the application for such permit. The director shall not accept any further application for a source so constructed until the director finds that such source has been reconstructed in accordance with the prior permit or a revision, or until a revision to the permit has been obtained.
- D. AN APPLICANT'S PERFORMANCE OF ANY ACTIVITIES THAT ARE EXCLUDED FROM THE DEFINITION OF "BEGIN ACTUAL CONSTRUCTION" UNDER SECTION 49-401.01, PARAGRAPH 7, SUBDIVISION (a) OR (b) SHALL BE AT THE APPLICANT'S RISK AND SHALL NOT REDUCE THE APPLICANT'S OBLIGATIONS UNDER THIS CHAPTER OR RULES ADOPTED PURSUANT TO THIS CHAPTER. THE DIRECTOR SHALL EVALUATE AN APPLICATION FOR A PERMIT OR PERMIT REVISION AND MAKE A DECISION ON THE SAME BASIS AS IF THE ACTIVITIES ALLOWED UNDER SECTION 49-401.01, PARAGRAPH 7, SUBDIVISION (a) OR (b) HAD NOT OCCURRED.
- D. E. After a decision on a permit or revision, the director shall notify the applicant and any person who filed a comment to the permit pursuant to section 49-426 or the revision pursuant to section 49-426.01 in writing of the decision, and if the permit is denied, the reasons for such denial. Service of this notification may be made in person or by first class mail. The director shall not accept a further application unless the

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applicant has corrected the reasons for the objections specified by the director as reasons for such denial.

Sec. 4. <u>Conditional enactment: revisions to state</u> implementation plan: notice

- A. Sections 49-401.01 and 49-427, Arizona Revised Statutes, as amended by this act, are not effective unless on or before October 1, 2013 the United States environmental protection agency approves revisions to this state's air quality implementation plan that incorporate the changes made by this act.
- B. The director of the department of environmental quality shall promptly provide written notice of the date of that approval or the failure to receive that approval to the director of the Arizona legislative council.

APPROVED BY THE GOVERNOR MAY 11, 2010.

FILEN IN THE OFFICE OF THE SECRETARY OF STATE MAY 12, 2010.